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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today that Reno Gregory Gross, 39 years old, of Fort Washington, Maryland, pled guilty today in United States District Court in Alexandria to wire fraud. Gross faces a maximum sentence of five years imprisonment, a fine of \$250,000.00 and full restitution. United States District Judge T.S. Ellis, III set sentencing for April 21, 2006.

From May 1999, until April 2002, Gross participated in a scheme to use Department of Defense IMPAC (International Merchant Purchase Agreement Card) charge cards to make over \$704,000.00 in fictitious purchases of maintenance and plumbing supplies for the Pentagon. Gross had been a civilian employee of the Department of Defense in the Pentagon Building Maintenance Office since 1985.

In 1994, the federal government began widespread use of government purchase cards to help streamline purchases of commercial products and services. The cards, which operate like credit cards, give authorized employees the ability to purchase goods and services without the time consuming process of a contract competition and award.

Gross and two other individuals involved in this scheme created, approved and processed over 265 fraudulent purchase orders for supplies which the Pentagon never received. In separate schemes, Gross also conspired with three other individuals and caused three companies to be created which were used to fraudulently charge the government purchase cards. These companies made 196 fraudulent charges on the government purchase cards. All together, Gross participated in 461 false sales of goods to the Pentagon totaling \$704,000.00. This is the fifth conviction of individuals associated with this scheme.

This case is part of a continuing effort to prosecute IMPAC charge card fraud and abuse and procurement fraud within the Department of Defense.

The case was investigated by the United States Attorney's Office and the Defense Criminal Investigative Service. The case was prosecuted by Assistant United States Attorney Robert C. Erickson.

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